

**Land Board Agenda Item
December 15, 2008
Easement Exchange Proposal
Update and Amended Approval Request
Spring Prairie Permanent Easement Exchange, DNRC, Northwestern Land Office
Section 36, T29N, R22W**

Background:

At the April 21, 2008 Land Board Meeting, the Board approved the exchange of easements between the current DNRC Northwestern Land Office / Kalispell Unit (NWLO) administrative site located along Highway 93 in Section 36 and its proposed new administrative site fronting on Stillwater Road along the West side of Section 36.

At the time of the approval, it was anticipated that the new administrative site would utilize approximately 11 acres of land, while the existing easements along Highway 93 totaled 8.18 acres. Appraisals were conducted to determine the value of both properties. Value was established at \$6.00/square foot for the existing easements along Highway 93, while the 11 acres along Stillwater Road was \$3.74/square foot.

The proposed exchange of easements was approved based upon the following table:

| CURRENT EASEMENTS | | |
|---------------------------|---|-------------|
| 4.08 acres | State Forester, Easement # D-3923, Issued 1957 | \$1,065,000 |
| 4.086 acres | DNRC, Easement # D-6862, Issued 1977 | \$1,069,000 |
| 8.166 acres | Totals | \$2,134,000 |
| PROPOSED EASEMENTS | | |
| 11.0 acres | Administrative Site | \$1,853,000 |
| 1.8 acres | 1980 lineal feet City Road Right of Way | \$158,000 |
| 12.8 acres | Total | \$2,011,000 |

Updated Information:

Flathead County desires to locate an emergency coordination center (911 and other emergency services) alongside the proposed DNRC administrative offices on Stillwater Road. The Department determined that the 11 acre parcel approved by the Board could easily accommodate two office locations and commenced subdivision platting for two lots. Known as Timberwolf Center, the DNRC administrative Offices will occupy Phase 1A, Lot 1 consisting of 7.336 acres while the Flathead Emergency Coordination Center will occupy Phase 1B, Lot 2, consisting of approximately 1.68 acres.

Because a smaller sized lot has been created, the valuation of the parcel has changed. Appraisal indicates that while the DNRC administrative office site retains a value of \$3.74/square foot, the 1.68 acre parcel has a value of \$5.81/square foot.

Due to the change in acres utilized and value per square foot, an update to the table is shown below:

| CURRENT EASEMENTS | | |
|---------------------------|---|--------------------|
| 4.08 acres | State Forester, Easement # D-3923, Issued 1957 | \$1,065,000 |
| 4.086 acres | DNRC, Easement # D-6862, Issued 1977 | \$1,069,000 |
| 8.166 acres | Totals | \$2,134,000 |
| PROPOSED EASEMENTS | | |
| 7.336 acres | Administrative Site | \$1,195,140 |
| 1.68 acres | Flathead Emergency Center | \$ 425,443 |
| 1.8 acres | Stillwater Road Right of Way | \$ 158,000 |
| 10.816 acres | Totals | \$1,778,583 |

Currently, the proposed Flathead Emergency Coordination Center is in the preliminary plat stages. It is anticipated that the lot size will be 1.68 acres, however, this may be adjusted slightly up or down upon final plat approval. Any such adjustment in acreage will be minimal and will cause little shift in value shown in the table above.

Utilizing the figures shown above, the net value the Common School trust receives in the amended exchange is \$355,417.